

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

Re: ECF No. 21427, 21967

(Jointly Administered)

**STIPULATION AND AGREED ORDER RESOLVING
REQUEST FOR COMFORT ORDER PURSUANT 11 USC §362(J)**

The Commonwealth of Puerto Rico (the “Commonwealth”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”), as the sole Title III representative of the Commonwealth pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² on the one hand, and Aníbal Arroyo Bolerín, Rosa Idalia Orengo Rohena, Ada Norely López Santiago, Arinda Colón Colón, and Jennifer Blest Quiroz (collectively, “Movants”), on the other hand, hereby stipulate and agree as follows:

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA”) (Last Four Digits of Federal Tax ID: 3801) (Last Four Digits of Federal Tax ID: 3801) (Bankruptcy Case No. 19-BK-5523-LTS). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

RECITALS

The Prepetition Action and the Title III Case

A. On November 3, 2010, Movants commenced an action against the Puerto Rico Public Broadcasting Corporation³ (“PBC”), among other parties, captioned *Blest Quiroz et al. v. Corporación de Puerto Rico para la Difusión Pública et al.*, Civil Case No. KDP 2010-1453 (the “Prepetition Action”), in the Court of First Instance, San Juan Superior Court (the “Commonwealth Court”).

B. On March 18, 2015, the Commonwealth Court entered a judgment (the “Judgment”) against PBC awarding Movants certain monetary remedies.

C. On June 15, 2015, PBC filed a writ of appeal in the Court of Appeals of the Commonwealth of Puerto Rico (the “PRCA”) seeking the reversal of part of the Judgment awarding damages and litigation expenses.

D. On May 3, 2017, the Oversight Board issued a restructuring certification pursuant to Sections 104(j) and 206 of PROMESA and filed a voluntary petition for relief for the Commonwealth pursuant to PROMESA Section 304(a), commencing a case under Title III thereof (the “Title III Case”) in the United States District Court for the District of Puerto Rico (the “Title III Court”).

E. On November 3, 2017, the PRCA entered judgment determining the proceedings of the Prepetition Action stayed pursuant to sections 362(a) and 922(a) of title 11 of the United States Code, made applicable by PROMESA in connection with the Commonwealth’s filing of the Title III Case, unless otherwise modified by the Title III Court.

³ The official name in Spanish of the public corporation is *Corporación de Puerto Rico para la Difusión Pública*.

F. By operation of PROMESA and pursuant to PROMESA Section 315(b), the Oversight Board is the sole representative of the Commonwealth in the Title III Case.

G. On January 18, 2022, the Title III Court entered the *Order and Judgment Confirming Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Public Buildings Authority* [ECF No. 19813] (the “Confirmation Order”), confirming the *Modified Eighth Amended Title III Joint Plan of Adjustment of the Commonwealth of Puerto Rico, et al.*, dated January 14, 2021 [ECF No. 19784] (the “Plan”).⁴

Movants’ Asserted Claims and Objection

H. Notwithstanding that PBC is not a Title III debtor, Movants filed proofs of claim 51788, 179444, 39308, 49385 and 49126 (collectively, the “Asserted Claims”) against the Commonwealth, asserting claims for unpaid wages and legal expenses pursuant to the Judgment.

I. On June 1, 2022, the Oversight Board filed the *Four Hundred Eighty-First Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico and the Employees Retirement System of the Government of the Commonwealth of Puerto Rico to Claims for Which the Debtors Are Not Liable* [ECF No. 21427] (the “Objection”) objecting to the Asserted Claims.

J. On August 18, 2022, Movants filed a *Reservation of Rights with Respect to Four Hundred Eighty-First Omnibus Objection (Substantive) of the Commonwealth of Puerto Rico and the Employee’s Retirement System of the Government of the Commonwealth of Puerto Rico to Claims for which the Debtors Are Not Liable; Withdrawal of Claims without Prejudice* [ECF No. 21869] (the “Withdrawal Notice”), in which Movants acknowledged the Commonwealth was not liable for the Judgment and withdrew the Asserted Claims.

⁴ Unless otherwise defined herein, capitalized terms shall have the meanings ascribed thereto in the Plan.

K. On August 29, 2022, Movants filed their *Request for Comfort Order Pursuant 11 USC §362(j)* [ECF No. 21967] (the “Motion”), seeking a “comfort order” to allow for Movants to continue their collection efforts and/or defense of the Judgment against PBC in the PRCA.

NOW, THEREFORE, in consideration of the foregoing, the parties hereby agree as follows:

AGREEMENT

1. This stipulation (the “Stipulation”) shall become effective upon entry of an order of the Title III Court approving the terms and provisions hereof (the “Stipulation Date”).

2. Movants shall be permitted to continue the Prepetition Action, including, without limitation, any appeal or any action to enforce the Judgment against PBC.

3. The Asserted Claims are deemed withdrawn, with prejudice, as of the August 18, 2022 Withdrawal Notice.

4. The Motion is hereby withdrawn, with prejudice; *provided, however*, that Movants’ rights to challenge any application or extension of any injunction or stay pursuant to the Plan and Confirmation Order to Movants’ claims against PBC are preserved.

5. The Commonwealth and Movants represent and warrant that they are properly and fully empowered to enter into and execute this Stipulation, that they know of no contractual commitment or legal limitation of, impediment to, or prohibition against their entry into this Stipulation, and that the Stipulation is legal, valid, and binding upon them.

6. Neither this Stipulation nor any statement made, action, or position taken, or document prepared or executed in connection with the negotiation, execution, or implementation of this Stipulation shall be deemed to be, or construed as, (a) an admission by any party of any liability, wrongdoing, act, or matter or that any claim or defense has or lacks merit; (b) a waiver

of the Commonwealth's rights to dispute, contest, setoff, or recoup any claim, including any claims asserted by Movants, or assert any related rights, claims, or defenses and all such rights are reserved; or (c) a waiver of Movants' or the Commonwealth's rights to determine and/or contest the applicability of a discharge, pursuant to 11 U.S.C. § 944, as made applicable to these proceedings by virtue of PROMESA section 301(a), to any claim asserted by Movants.

7. Nothing in this Stipulation shall be deemed or construed as (a) creating or conferring any right upon any persons or entities except as expressly provided in this Stipulation, (b) evidence of any willingness or obligation on the Commonwealth's part to consent to any other or future modifications of or relief from any injunction or stay with respect to any persons or entities, or (c) altering or otherwise modifying the terms of the Plan or Confirmation Order. The Commonwealth reserves all rights, defenses, and protections with respect to any matters pending or that may arise in connection with the Plan, the Confirmation Order, and the Prepetition Action.

8. This Stipulation contains the entire agreement by and between the parties with respect to the subject matter hereof, and all prior understandings or agreements, if any, are merged into this Stipulation.

9. This Stipulation shall be construed and interpreted in accordance with the laws of Puerto Rico. For purposes of construing this Stipulation, neither of the parties shall be deemed to have been the drafter of the Stipulation.

10. This Stipulation shall be binding on the parties' successors and assigns.

11. Electronic copies of signatures on this Stipulation are acceptable, and an electronic copy of a signature on this Stipulation is deemed an original. This Stipulation may be executed in counterparts, each of which is deemed an original, but when taken together constitute one and the same document.

12. The Title III Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Stipulation.

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Dated: September 20, 2022

STIPULATED AND AGREED TO BY:

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SO ORDERED on September _____, 2022

HON. LAURA TAYLOR SWAIN
UNITED STATES DISTRICT COURT JUDGE